

Study Doubts Job Loss to Private Sector

By Christopher Lee

Washington Post Staff Writer

Tuesday, October 26, 2004; Page A23

Despite fears of significant job losses, relatively few federal employees have been thrown out of work in their agencies' efforts to determine if private contractors can do their jobs better and more cheaply, according to a report to be released tomorrow.

Of the 65,151 civilian jobs that the Defense Department has evaluated for possible contracting-out over the last decade, 3,327 full-time employees and 1,814 temporary workers were terminated involuntarily, according to the report by University of Maryland researchers Jacques S. Gansler and William Lucyshyn. That meant that fewer than 8 percent of workers involved in the controversial practice of "competitive sourcing" involuntarily lost their jobs as a result.

"In examining DOD data, it is clear that much of the claims of the negative impact of competitive sourcing on federal employees are unfounded," the authors wrote in their 38-page report, "Competitive Sourcing: What Happens to Federal Employees."

The authors also found that 7,266 employees, or 11 percent, retired in the aftermath of the competitions and 10,974 workers, or 16.8 percent, transferred to another government job.

In all, DOD officials cut the number of civilian positions by 24,852, or 38 percent of those studied, in the name of achieving increased efficiency. More than a third of those cut positions, or 8,846 jobs, came in competitions won by federal employee teams, which commonly agreed to reduce the workforce to keep the work in-house.

Gansler, director of the Center for Public Policy and Private Enterprise at Maryland's School of Public Policy, said the findings should counter the "scare tactics" of federal unions and others who oppose competitive sourcing.

"Those against it have been saying 30 or 40 percent [of employees] even when you [in-house teams] win will be laid off. And if you lose, everybody's gone," said Gansler, an undersecretary of defense for acquisition, technology and logistics in the Clinton administration. "That's what people have been saying, and that is not the case."

Federal employee union officials said the report does not reflect what they say is the Bush administration's aggressive approach to competitive sourcing at agencies since 2001.

"I can tell you that in NTEU's experience to date, on competitive sourcing initiatives run by the agencies under this administration, employees are losing their jobs in large numbers," said Colleen M. Kelley, president of the National Treasury Employees Union. Mark Roth, general counsel for the American Federation of Government Employees, said the study does not take into account people who leave federal jobs because of uncertainty and potential layoffs under the initiative.

"People get wind that their positions are being studied and they leave wholesale because they know what's coming down," Roth said.

A spokesman for the Office of Management and Budget said he had not seen the study and could not comment.

President Bush has said that requiring hundreds of thousands of federal employees to prove they can do their jobs better and more cheaply than private contractors promotes government efficiency, even if the jobs stay in-house. Federal employee union leaders say the initiative chiefly is an attempt to reward Bush's business allies with lucrative contracts.

Gansler and Lucyshyn, a visiting research scholar at Maryland who is a research director at the Defense Advanced Research Projects Agency, examined DOD data on more than 1,200 public-private competitions between 1994 to 2004. They found that in-house bids have won 44 percent of the competitions since 1994, and that in-house bidders have won twice as many competitions as contractors since 2001.

The cost of the research was underwritten by the IBM Center for the Business of Government, which sponsors research on how to improve the effectiveness of government at all levels.